MCA Market Research

Consumer Perceptions Survey – Fixed Broadband

November 2022

MALTA COMMUNICATIONS AUTHORITY

Purpose and Methodology

Purpose

- Get insight on the preferences of household consumers when purchasing internet services.
- This research informs us on:
    - Availability of internet in Maltese households and type of contracts;
    - Average monthly expenditure on internet services;
    - The level of satisfaction with the quality of services on offer;
    - The ability of end-users to switch between products;
    - The quality of the operators’ response to faults.

Methodology (1 of 3)

EMCS Ltd. carried out the survey between June and August 2022 on behalf of the MCA

Fieldwork

- Circa 20 minute phone interviews.
- 804 survey respondents were selected randomly.
- Only one person per household interviewed, aged 18 and over.

Sample

- Target respondents stratified according to age composition of the Maltese population and also according to broadband market share.
- Survey respondents distributed across Malta's geographical regions and socio economic categories of the Maltese population.

Responses

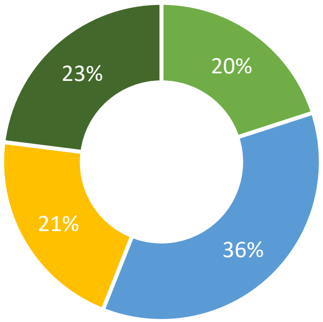
- 804 net respondents to the survey;
- Margin of error +/- 3.46% at 95% confidence interval.

Methodology (2 of 3)

Sample distribution

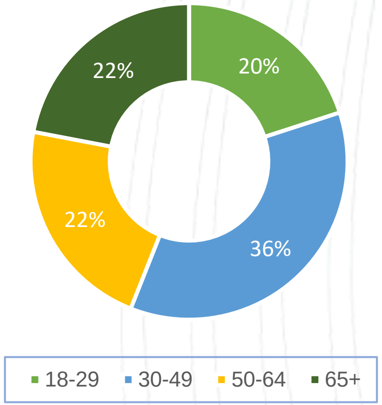
- The sample is equally split in terms of males and females.
- As illustrated hereunder, the sample size is also representative of the local population in terms of age.

Local Demographics



Data extracted from NSO Publication: Trends in Malta 2019

Sample Demographics



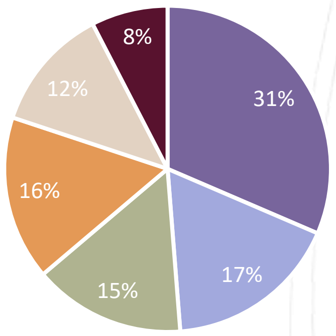
Methodology (3 of 3)

Sample distribution

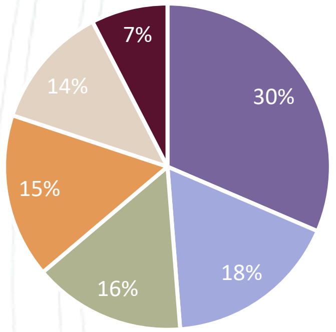
- The research sample collected is also representative of the local population in terms of the respondents' location of residence.

- Northern Harbour District
- Southern Harbour District
- South Eastern District
- Northern District
- Western
- Gozo

Sample Demographics



Local Demographics



Data extracted from NSO Publication: Trends in Malta 2019

Key insights

Key insights (1 of 2)

- Almost all households (95%) have an active internet connection.
- 4 in 5 respondents with internet have an ultra-fast connection, supporting download speed of 100 Mbps or more.
- The leading factor influencing end-user choice for is download speed, with 34% respondents ranking it as such.

  Price and upload speed ranked second and third respectively, for 27% and 16% of participants.
- 36% of households with people under 18 years of age, say that these members spend 3 to 5 hours online daily.

  1 in 3 of people under 18 years use the internet for entertainment purposes.
- Growing awareness on carrying out download speed tests.

  Out of those who carry out these tests, 44% say that the speed measured was equal to that advertised, whereas 38% found speed slightly lower than that promised.

Key insights (2 of 2)

- 81% of respondents consider their broadband connection speeds as adequate for daily needs.
- 86% of surveyed households are aware of their monthly expenditure on the fixed internet service.

  2 out of 5 people of in this cohort say they spend more than €50 per month, which is to be associated with the total cost of a bundled service including internet alongside telephony and TV services.
- 59% of respondents knowledgeable of their monthly expenditure feel that their internet service is neither expensive nor cheap, while 40% deem it expensive or very expensive.
- 74% of internet users are largely satisfied with the quality of service.
- 3 out of 5 respondents have experienced faults and disconnections with their fixed internet service in the last 12 months.

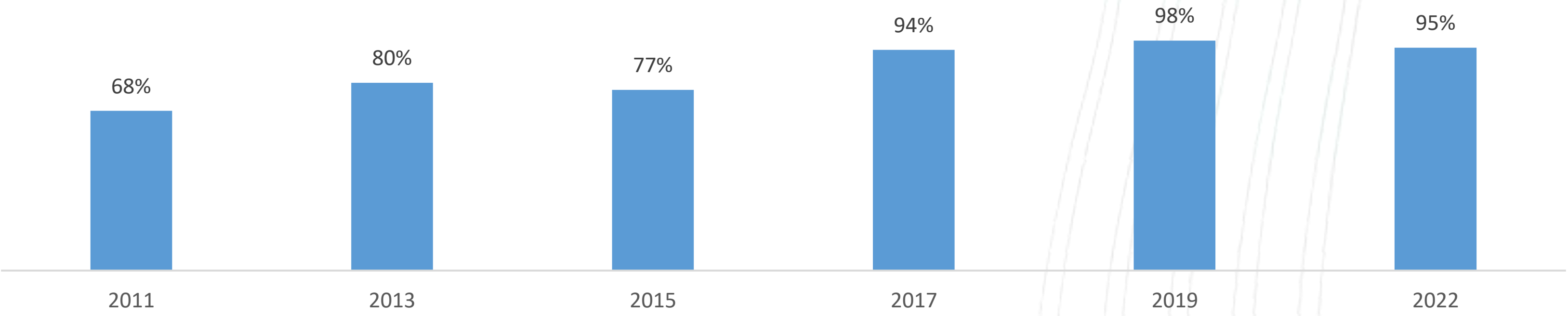
  62% of those reporting faults say that these were handled well by their service provider.

Access and Usage

Accessibility to the Internet

Availability in Maltese households

Number of respondents with an internet subscription – 762
i.e. 95% of the total number of respondents

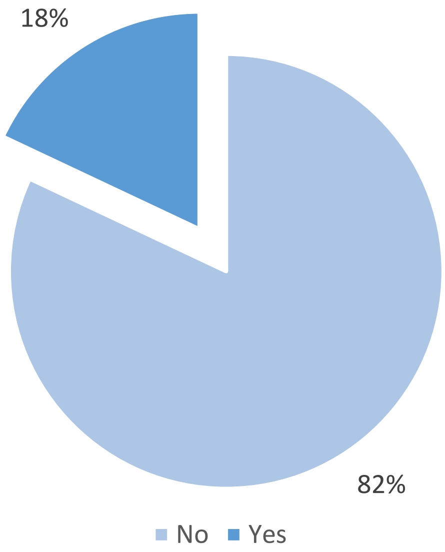


- 5% of total respondents have no internet connection.
- The main reason quoted by respondents with no connection being that they found the service to be too complicated to use and / or see no use for the internet.

Mobile broadband substitutability

Using mobile data instead of fixed internet

Number of respondents without internet subscription and do not intend on getting one – 38
i.e. 5% of the total number of respondents

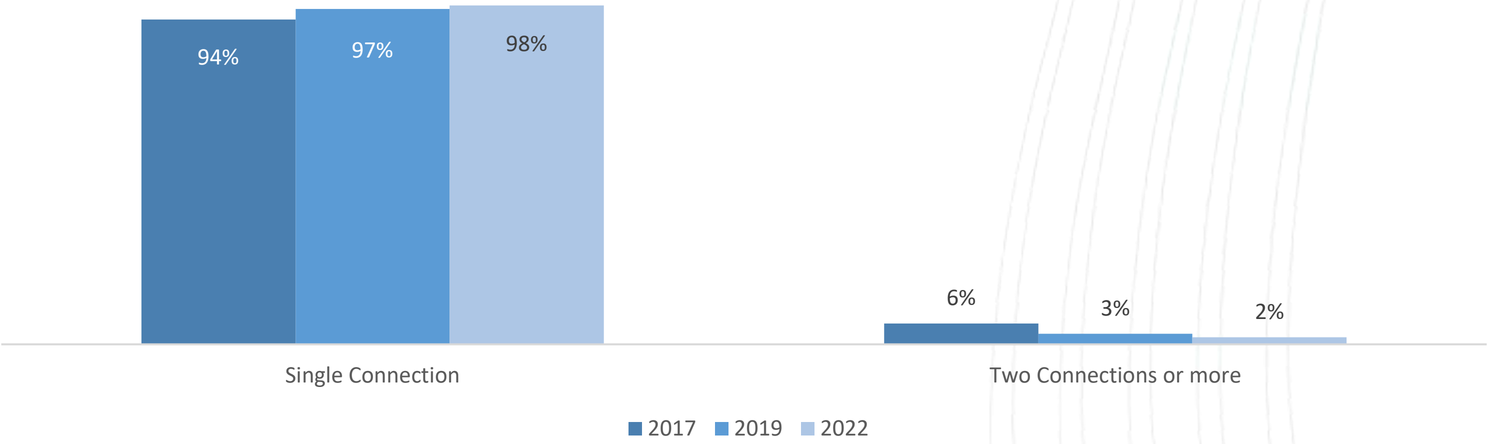


- Only 18% of 38 respondents indicated that they use mobile data instead (7 respondents).
- The majority of the respondents who said ‘no’ are aged 65+ and reasons mentioned were:
  - ‘I do not see any use for fixed broadband’;
  - ‘Do not afford buying fixed broadband’;
  - ‘Too complicated to use’;
  - ‘The place I am currently living at is only temporary’;
  - ‘4G is better’;
  - ‘I am not the owner of the house’.

Number of connections

Number of connections at home

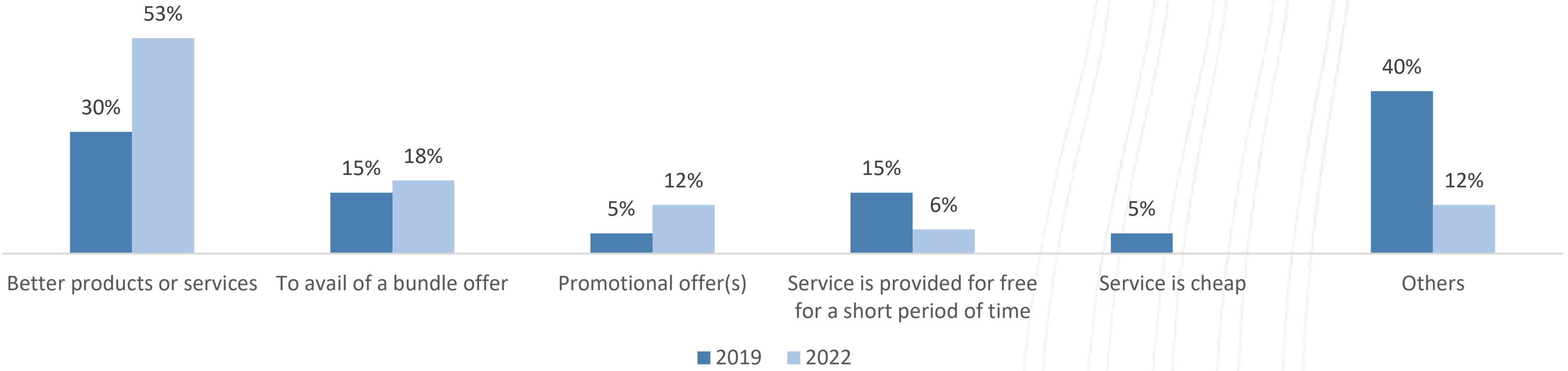
Number of respondents with internet - 762



Multiple connections

Reasons for having multiple connections

Number of respondents with multiple internet connection in their household - 17

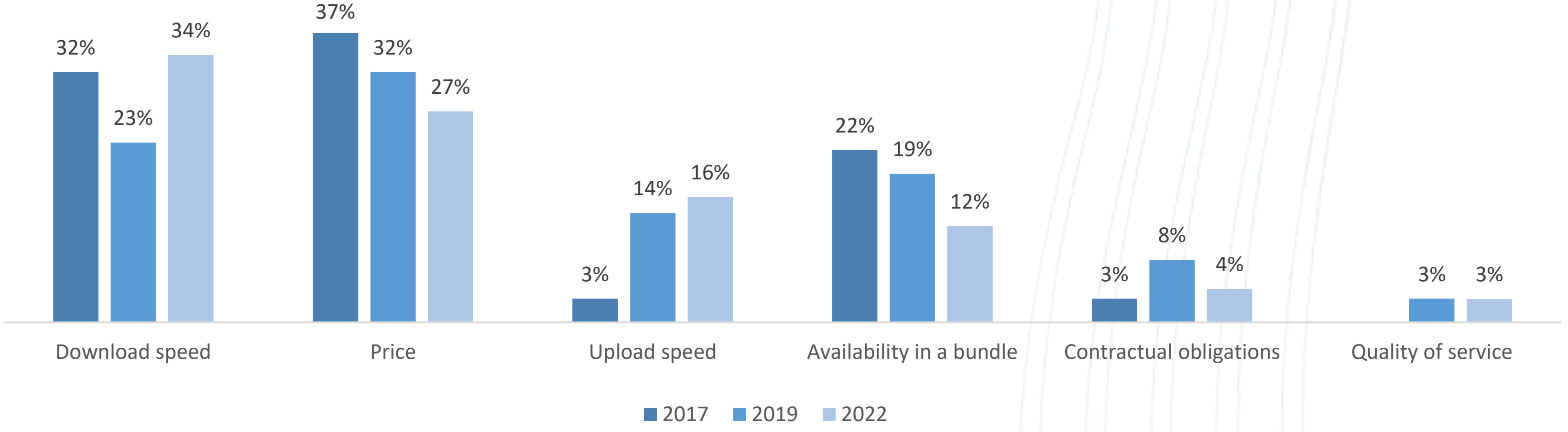


- With 53% responses, ‘better products or services’ is the main reason why respondents have multiple connections. ‘To avail of a bundle offer’ and ‘promotional offer(s)’ then followed (18% and 12% respectively).

Factors determining end-users' choices

Features sought when determining which internet connection to purchase

Number of respondents with an internet connection in their household – 762



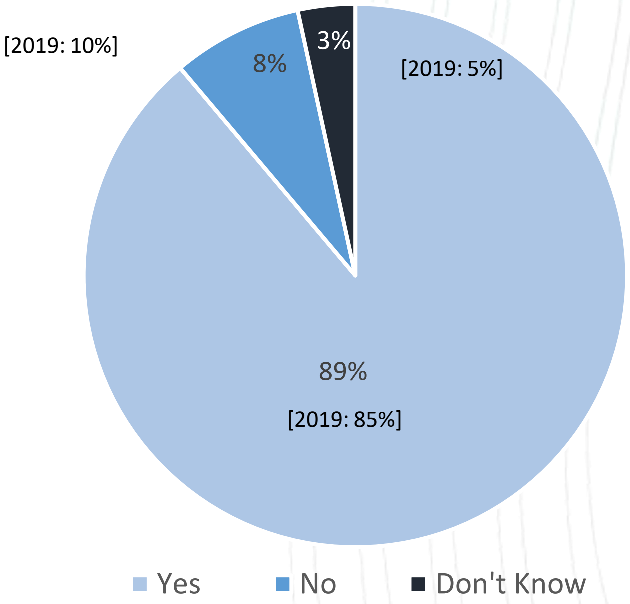
- The factor with the biggest influence on end-user choices was 'download speed', followed by 'price', 'upload speed', and 'availability in a bundle'.

Internet in a bundle

Propensity to purchase internet in a bundle

Number of respondents with an internet connection – 762

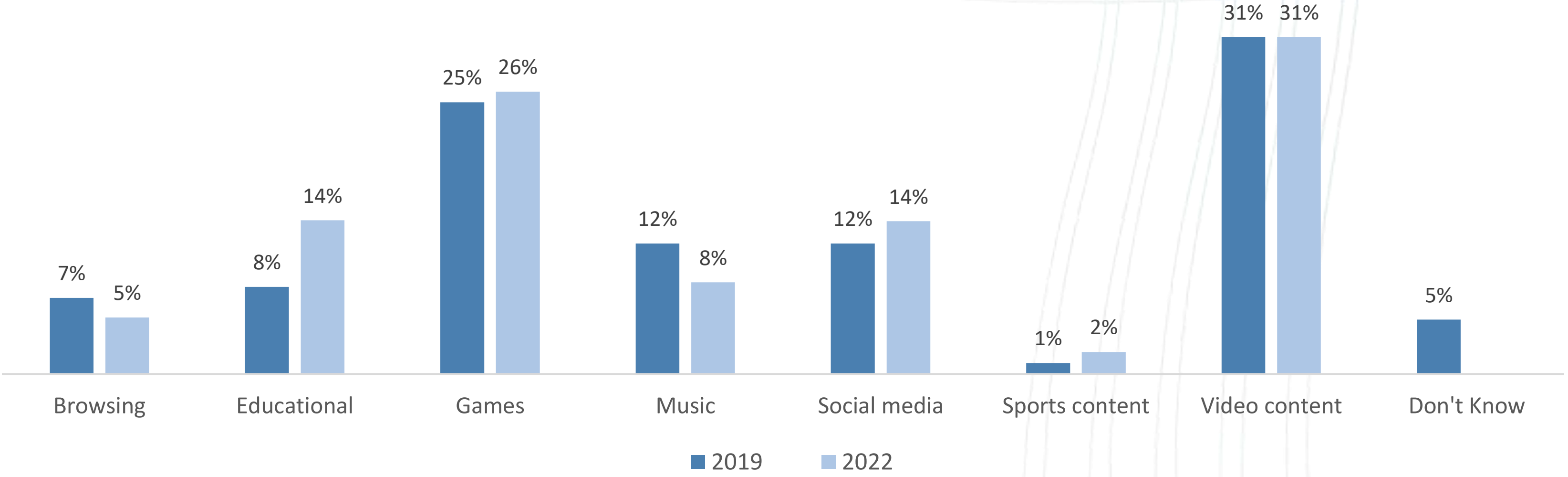
- 89% of households with internet acquire the service in a bundle.
- This represents an increase of 4 percentage points from 2019.



Type of online activities

Online activities engaged on by household members under the age of 18

Number of respondents under 18 years of age – 225



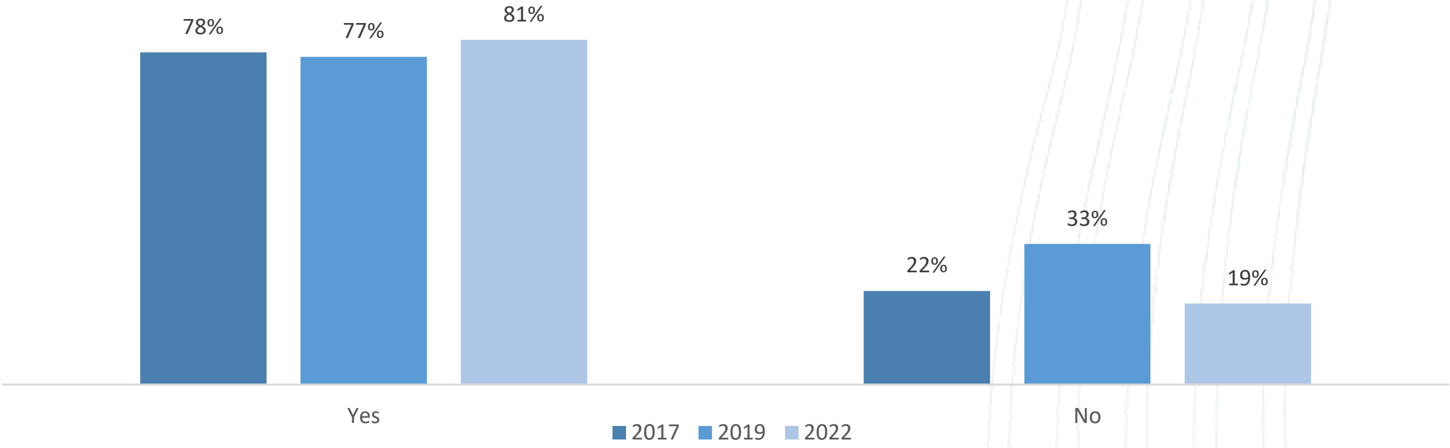
- 31% of household members under the age of 18 indicated watching online video content, followed by ‘games’ (26%), ‘educational activities’ (14%) and ‘social media’ (14%).

Download Speed and Technology

Internet download speed (1 of 5)

Perceived adequacy of download speeds

Number of respondents – 762

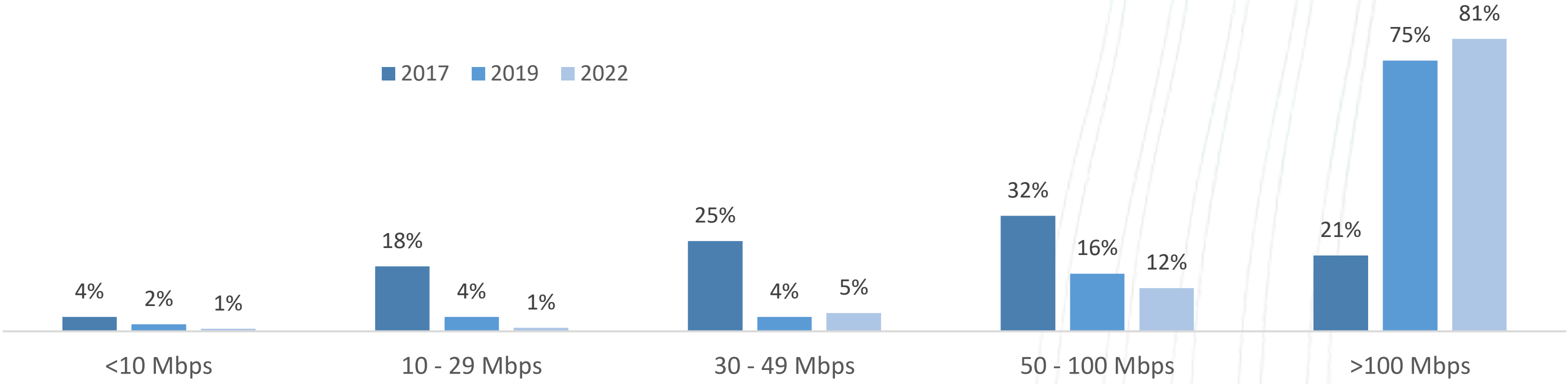


- 81% of respondents with an internet connection say their download speed is adequate.

Internet download speed (2 of 5)

Available download speed

Number of respondents knowing their download speed – 277
i.e. 36% of respondents with an internet connection

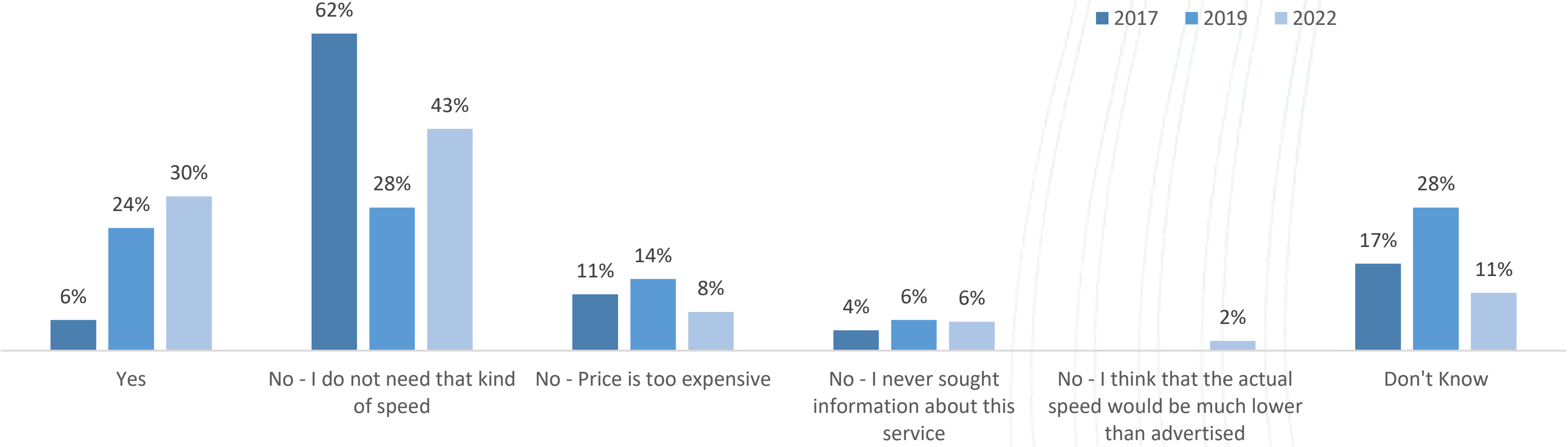


- Only 36% of respondents were able to identify their advertised download speed.
- Of these, 81% say that they have a connection supporting a download speed of 100Mbps or more.

Internet download speed (3 of 5)

Possibility of upgrading existing connection to ultra-fast download speeds in the next 12 months

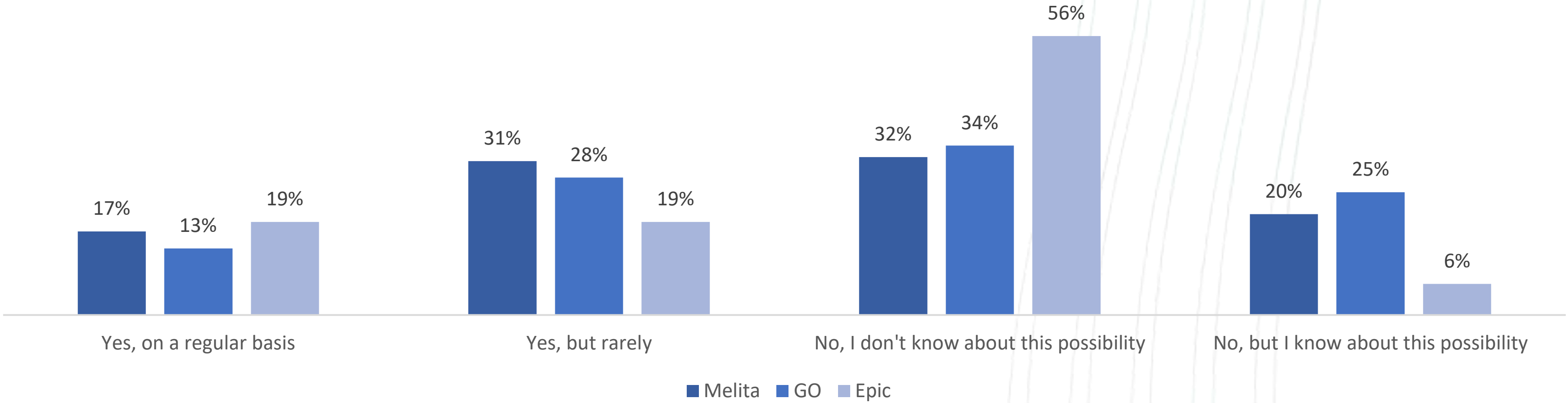
Number of respondents knowing their download speed and having a connection less than 100Mbps their internet connection – 53 (i.e. 19% of respondents knowing their download speed)



Internet download speed (4 of 5)

Propensity to test download speed

Number of respondents with an internet connection – 762

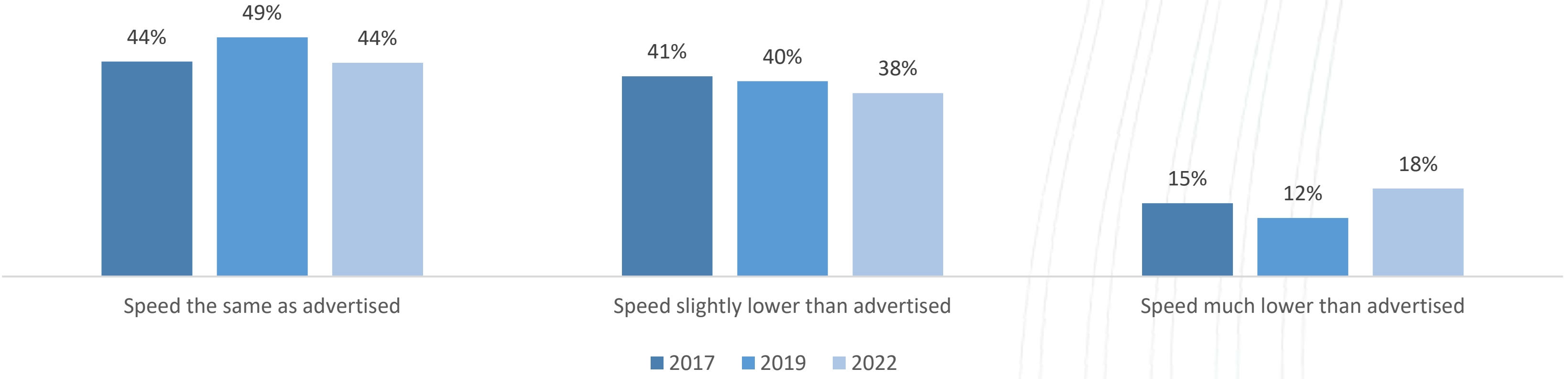


- 44% of respondents test their download speed, up from 23% in 2019.

Internet download speed (5 of 5)

Outcome of download speed tests

Number of respondents with an internet connection and have performed speed tests – 338
i.e. 44% of respondents with an internet connection



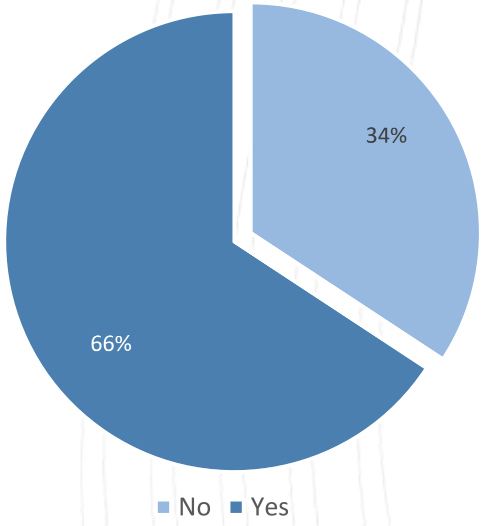
- Of those performing speed tests, the share of respondents finding lower speeds than those advertised increased from 52% in 2019 to 56% in 2022.

Technology platform supporting the service

Knowledge of technology platform supporting the internet service

Number of respondents with an internet connection – 762

- 66% of respondents claim to know on which technology platform their main fixed internet service is being offered.

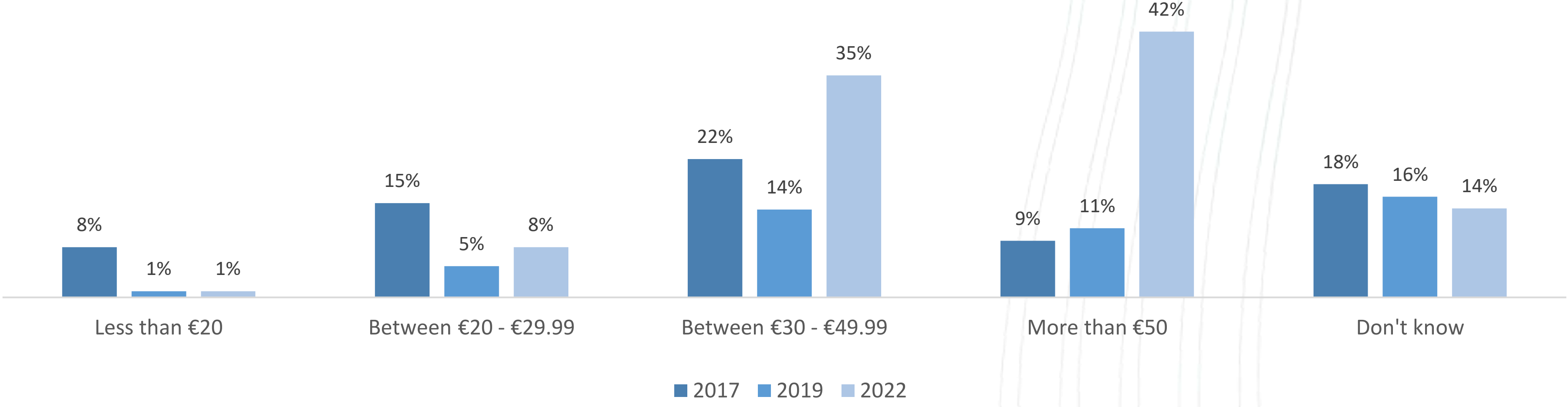


Expenditure

Expenditure on the fixed internet service (1 of 2)

Average monthly expenditure on main internet subscription

Number of respondents with an internet connection knowing their monthly expenditure – 654
i.e. 86% of respondents with an internet connection

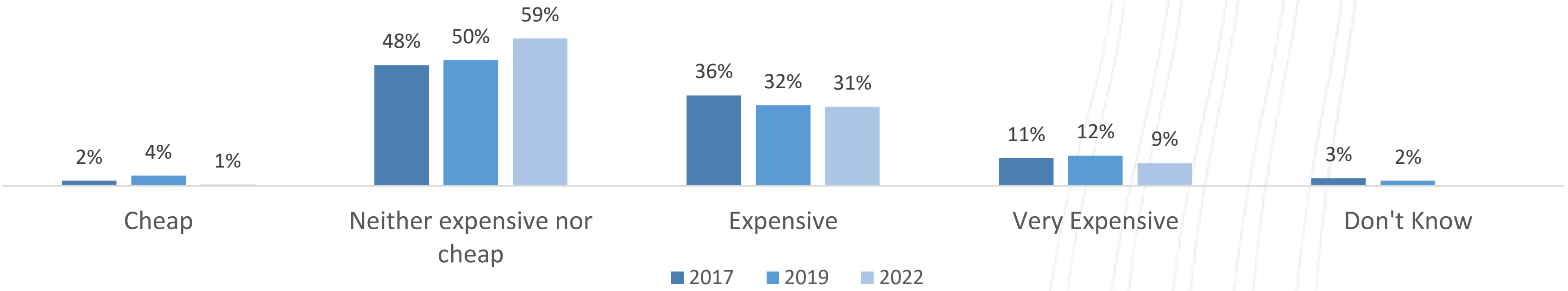


- 42% of respondents say they spend more than €50 per month on their main subscription.

Expenditure on the fixed internet service (2 of 2)

Perception of the cost of main internet subscription

Number of respondents with an internet connection and knowing their monthly expenditure – 654



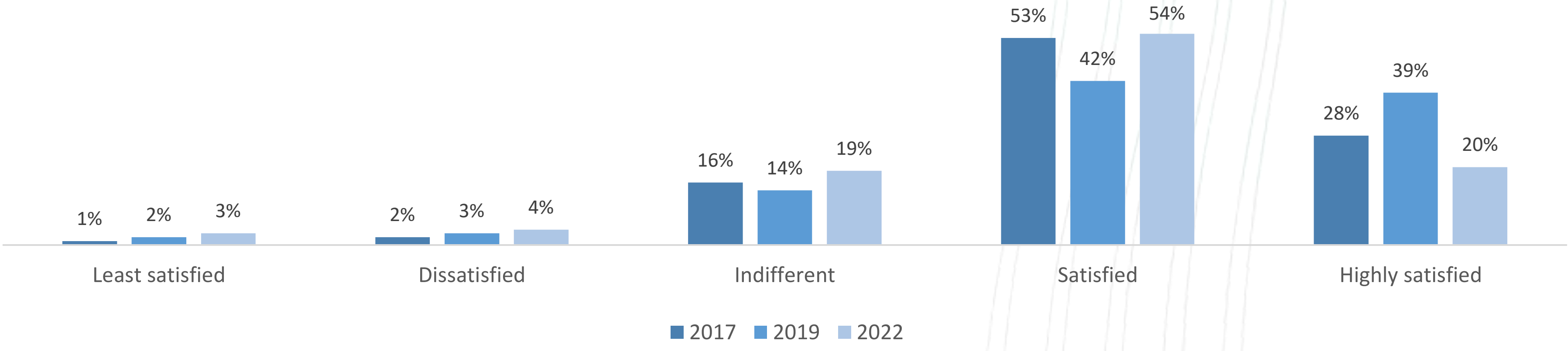
- Less households are considering internet to be expensive when compared to 2019 data.
- In fact, the number of respondents who know their monthly expenditure identify the service as ‘expensive’ or ‘very expensive’ decreased to 40%, from 44% in 2019 .
- On the other hand, respondents considering their fixed internet service to be cheap decreased by 3 percentage points from 2019.

Quality of Service

Satisfaction with quality of service (1 of 3)

Perceived satisfaction with main internet subscription

Number of respondents with an internet connection – 762

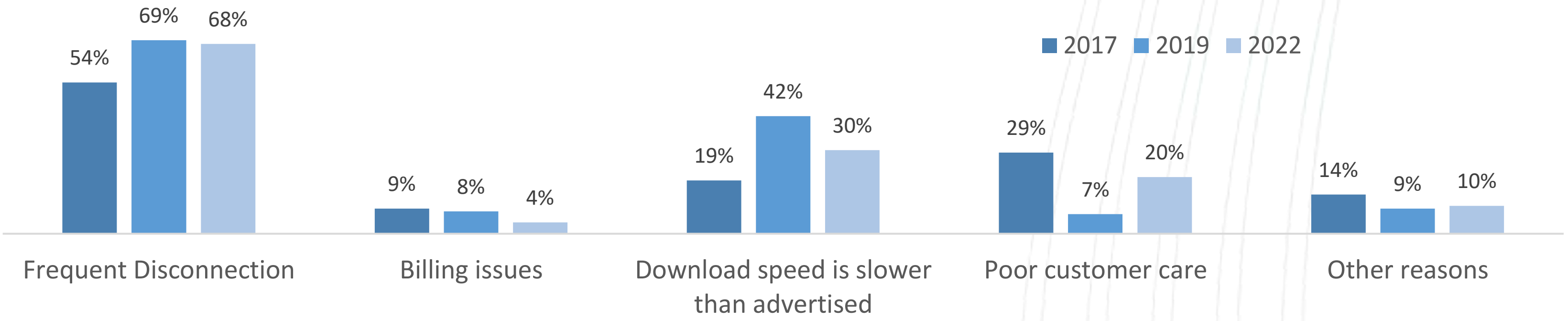


- 74% of respondents are satisfied with the service being offered (down from 81% in 2019).
- Furthermore, 65% of those considering the service as being expensive or very expensive, claim they were satisfied or very satisfied with the quality of the service on offer (70% in 2019).

Satisfaction with quality of service (2 of 3)

Reasons for being indifferent or not satisfied with the service

Number of respondents perceiving their connection to be unsatisfactory/ indifferent – 198 (multiple answers)
i.e. 26% of total number of respondents having an internet connection at home

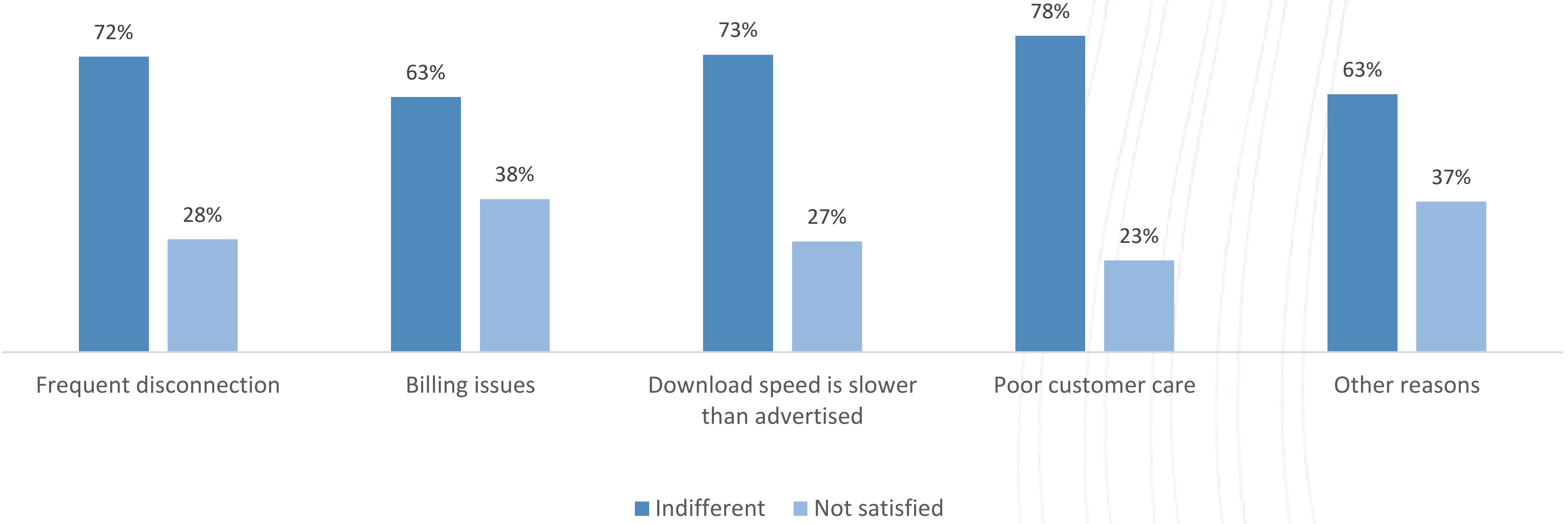


- Similar to previous study, ‘frequent disconnection’ ranked first with 68% mentions, followed by ‘download speed slower than advertised’ and ‘poor customer care’ (30% and 20% respectively).

Satisfaction with quality of service (3 of 3)

Reasons for dissatisfaction for respondents that are indifferent or not satisfied with the service

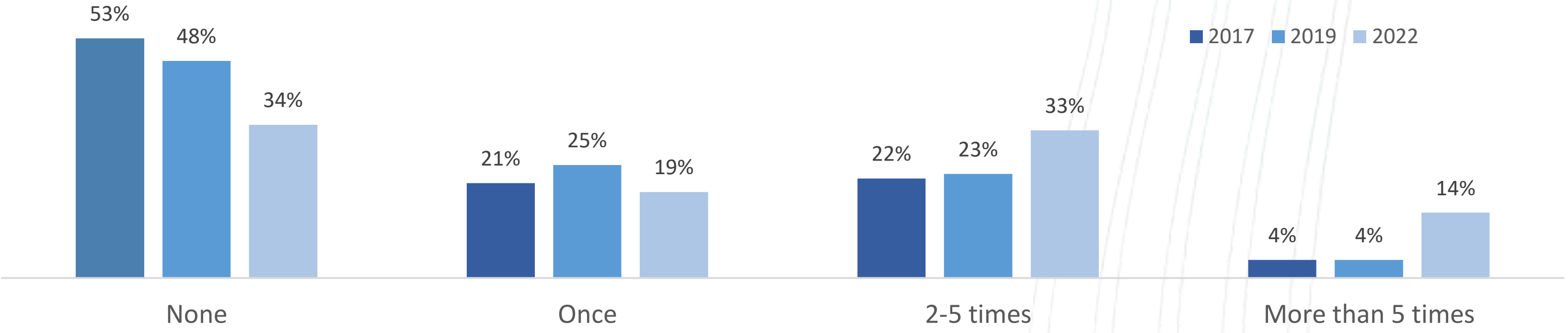
Number of respondents perceiving their connection to be unsatisfactory/ indifferent – 198 (multiple answers)



Disconnections and faults

Respondents experiencing disconnections, faults or other problems in the last 12 months

Number of respondents with an internet connection - 762

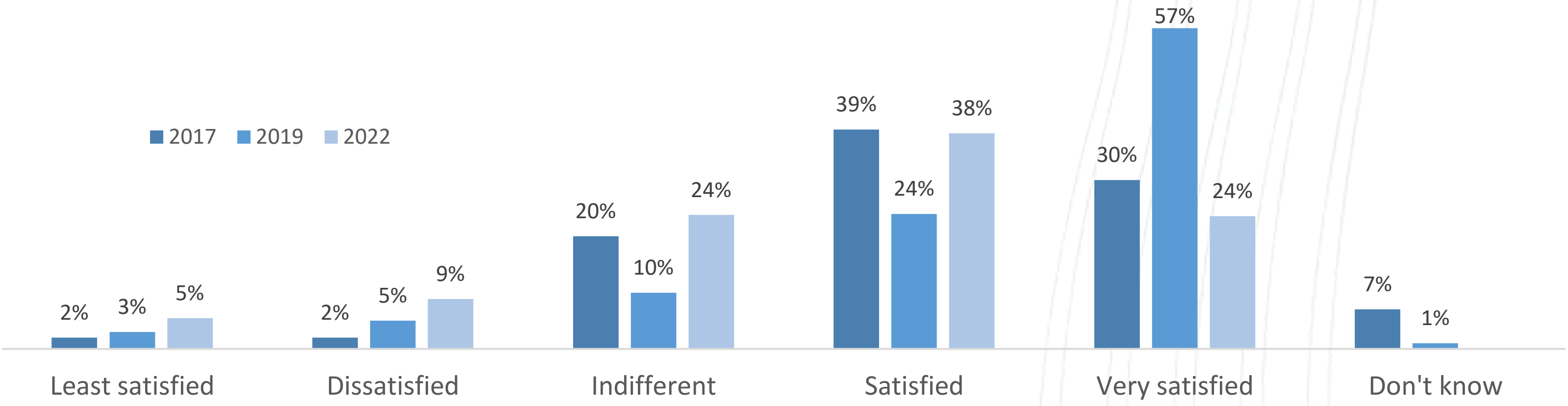


- 34% of respondents with an internet connection did not experience any disconnections, faults or other problems.
- On the other hand, the number of those who experienced multiple disconnections increased.

Reported faults and operators' response

Satisfaction levels with the response of the service provider to reported faults

Number of respondents with an internet connection and having reported a fault in the last 12 months – 504
i.e. 66% of the number of respondents having a fixed internet connection



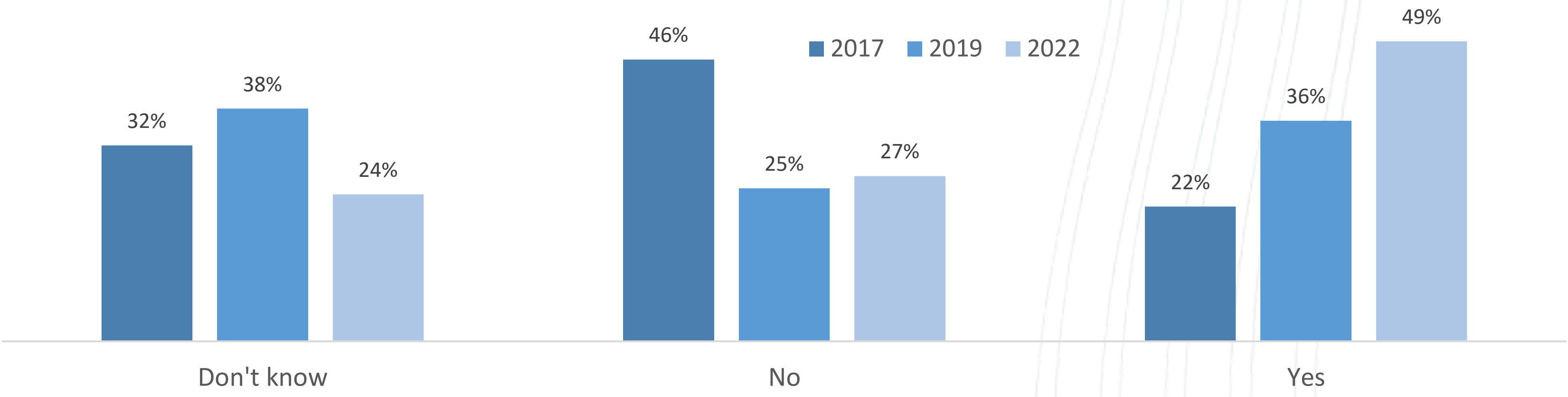
- 62% of respondents claim that they were satisfied to some degree with the level of response by the service provider when such problems had been reported (81% in 2019).

Switching

Switching (1 of 5)

Propensity to switch in the event of a 10% increase in the monthly access fee for the service

Number of respondents with an internet connection - 762

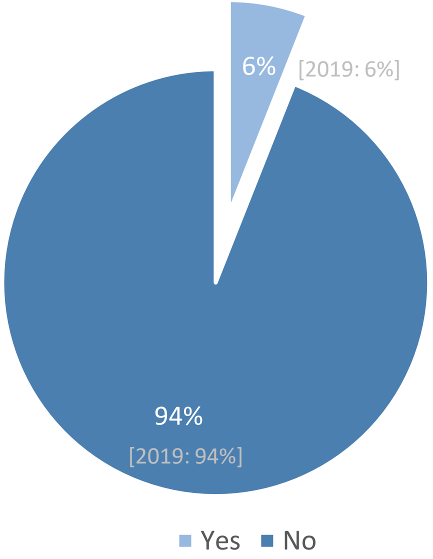


- 49% of respondents indicated that they would switch to another service provider in the event of a 10% increase in the monthly access fee.

Switching (2 of 5)

Share of respondents switching provider in the last two years

Number of respondents with an internet connection - 762

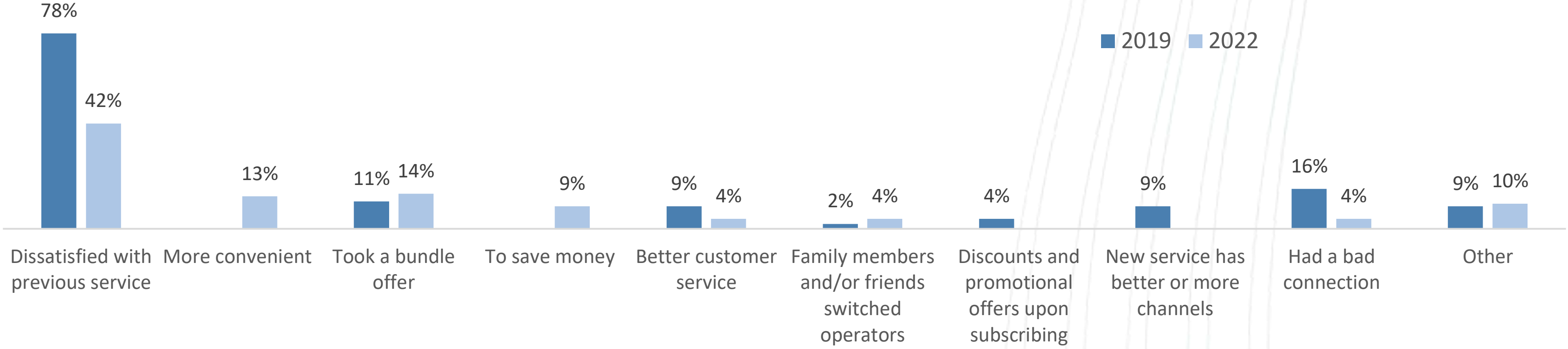


- Similar to 2019, only 6% of respondents say they switched service provider in the last 2 years.
- Amongst the 182 respondents saying they are dissatisfied or indifferent with the service, 68% say they did not switch provider for the following reasons:
  - Logistical inconvenience to remove and install service;
  - All service providers offer the same services;
  - They are on a contract basis.

Switching (3 of 5)

Reasons for switching service provider

Number of respondents that have switched service provider in the last 2 years – 49
i.e. 6% of the number of respondents having an internet connection
(In previous study, respondents could give multiple answers. In current study, this question was ranked by importance)



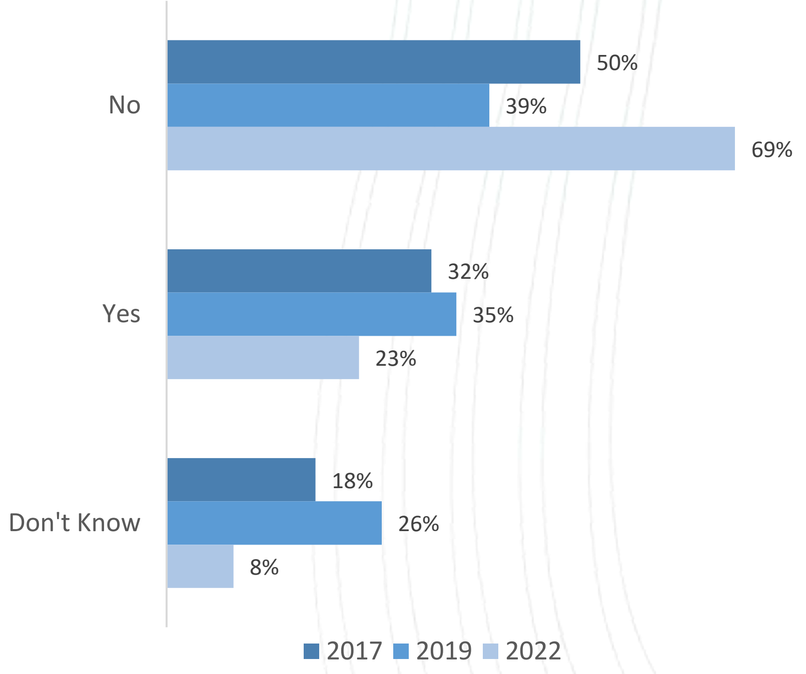
- The main reason quoted by respondents for switching service provider is that were dissatisfied with the previous service.
- Those who indicated ‘other’, mentioned that GO did not have fibre optic in the respondent’s locality and that the individual moved to another locality.

Switching (4 of 5)

Respondents considering switching in view of quality of service

Number of respondents perceiving their connection to be unsatisfactory/indifferent - 198

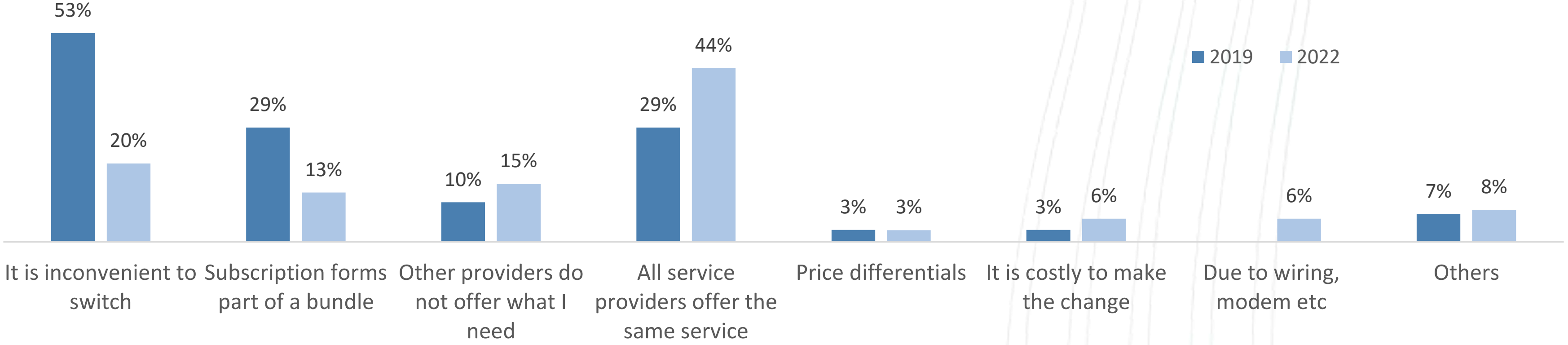
- Just 23% of those who are dissatisfied or indifferent with their internet service claimed that they would switch their operator.



Switching (5 of 5)

Reasons for not switching service provider

Number of respondents not considering switching – 136 (Respondents could give multiple answers)
i.e. 18% of the number of respondents having an internet connection



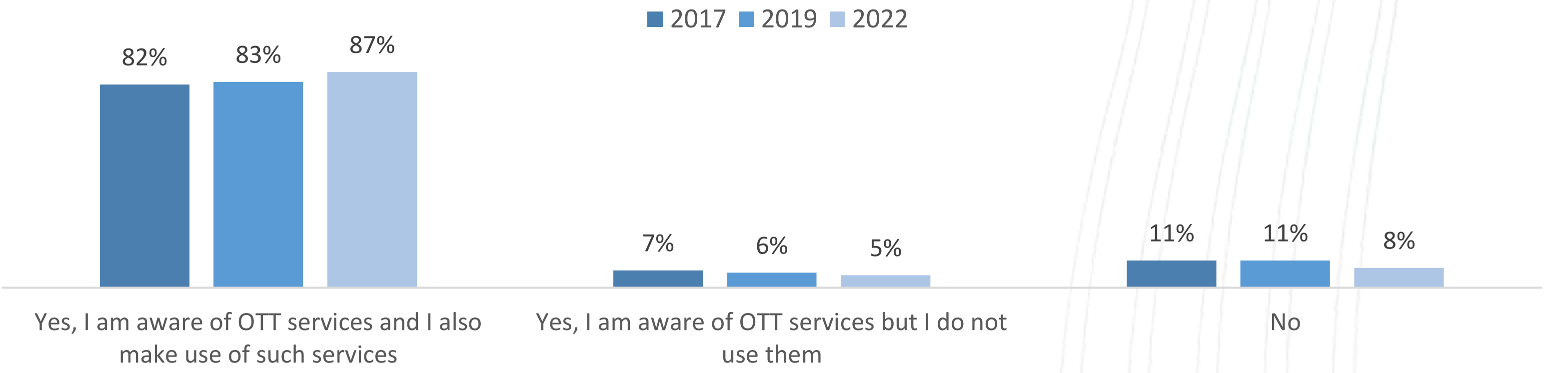
- The main reason quoted by respondents for not switching service provider is that 'all service providers offer the same service' (44%); followed by 'it is inconvenient to switch' (20%) and 'other providers do not offer what I need' (15%).

OTT usage over fixed internet

OTT usage (1 of 5)

Usage of OTT over fixed internet

Number of respondents with a fixed internet connection - 762

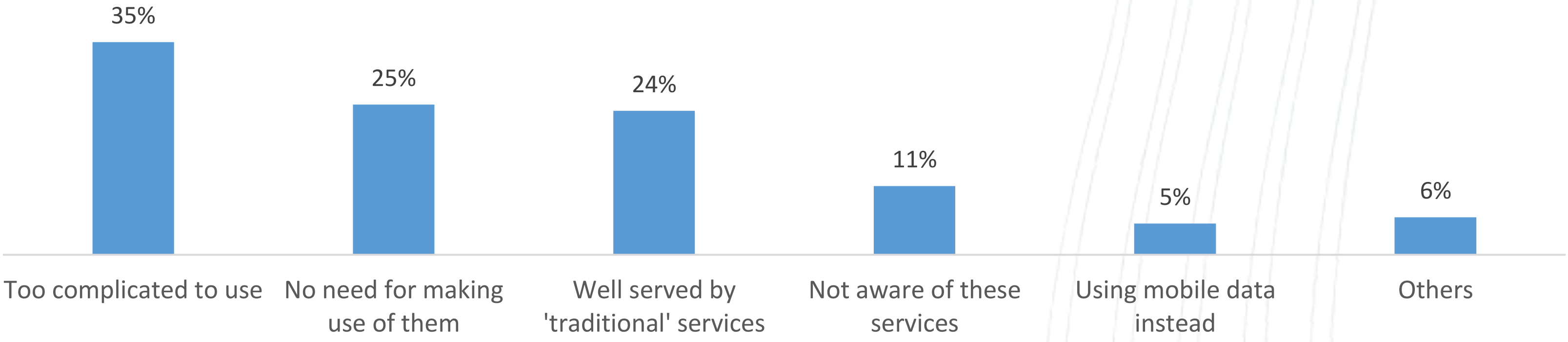


- 87% of respondents are aware and make use of OTT services over a fixed internet connection.
- Most respondents who are not aware of OTT services or those who do not use them are aged 50 years or older.

OTT usage (2 of 5)

Reasons for not accessing OTT services via fixed internet

Number of respondents who do not access / make use of OTT services via their fixed internet – 97
(Respondents could give multiple answers)

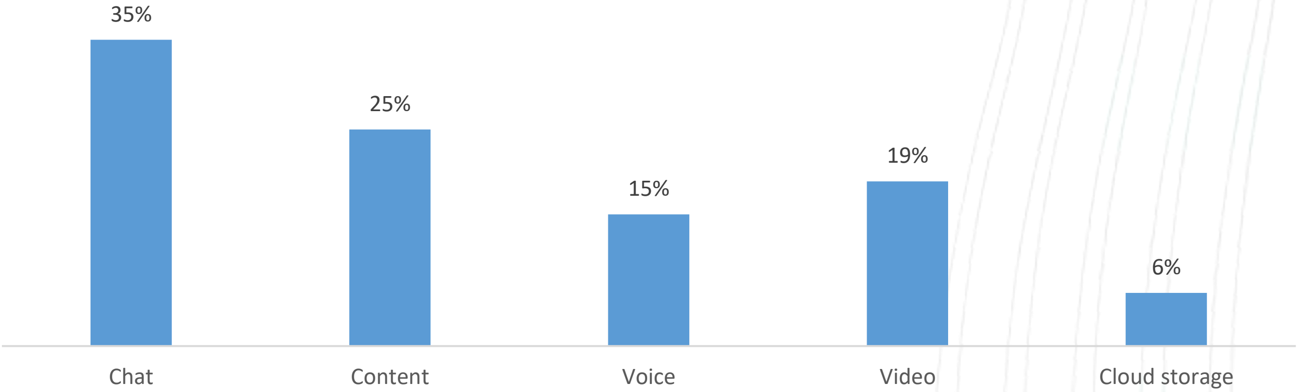


- Amongst those that do not utilise OTT services over fixed internet, 35% say that the service is too complicated to use, 25% say ‘no need for making use of them’, and 24% say they are ‘well served by *traditional services*’.
- The majority of those who indicated ‘others’, stated that they have no time to access such services.

OTT usage (3 of 5)

Types of OTT services used

Number of respondents with making use of OTTs over a fixed internet connection – 665
i.e. 87% of the number of respondents having a fixed internet connection at home (Question was ranked by importance)

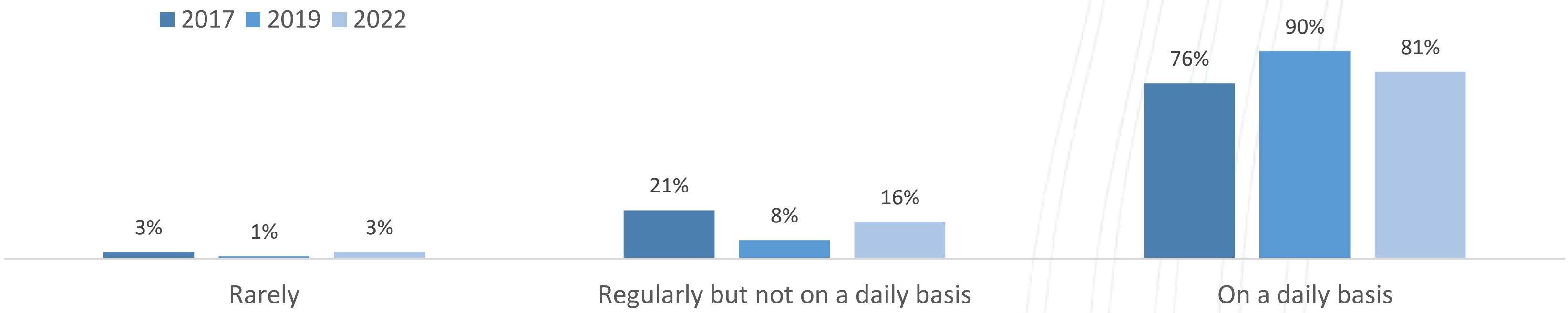


- Chat and content ranked first and second as the OTT services that are most used.

OTT usage (4 of 5)

Frequency of usage of OTTs over fixed internet

Number of respondents with making use of OTTs over a fixed internet connection – 665

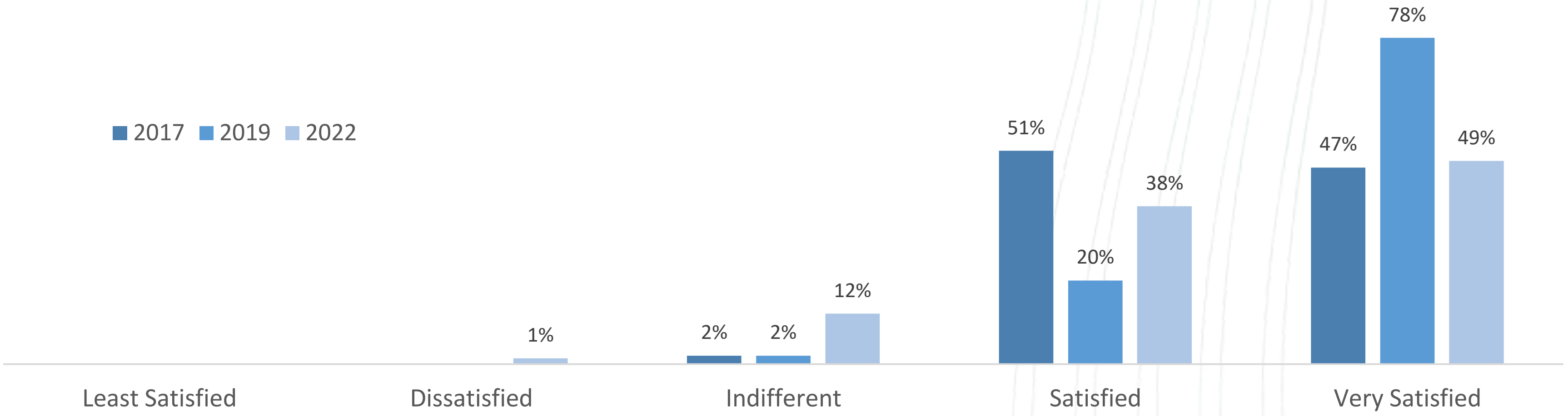


- 81% of respondents utilize OTT services over fixed internet daily (compared to 90% in 2019).

OTT usage (5 of 5)

Satisfaction levels with the use of OTTs over fixed internet

Number of respondents with making use of OTTs over a fixed internet connection – 665

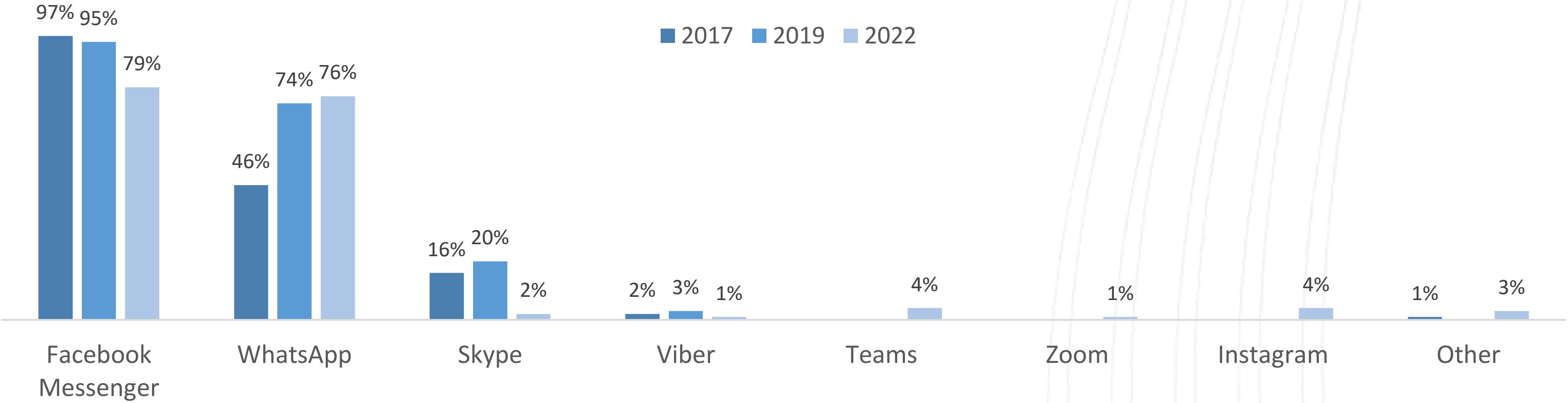


- 87% of respondents with a fixed internet connection are satisfied to different degrees with the quality of OTT-based services over fixed broadband (compared to 98% in 2019).

Chat OTT

Two most common platforms or apps used to access chat OTTs over fixed internet

Number of respondents with making use of chat OTTs over a fixed internet connection – 569
(Respondents could give multiple answers) i.e. 86% of the number of respondents making use of OTTs

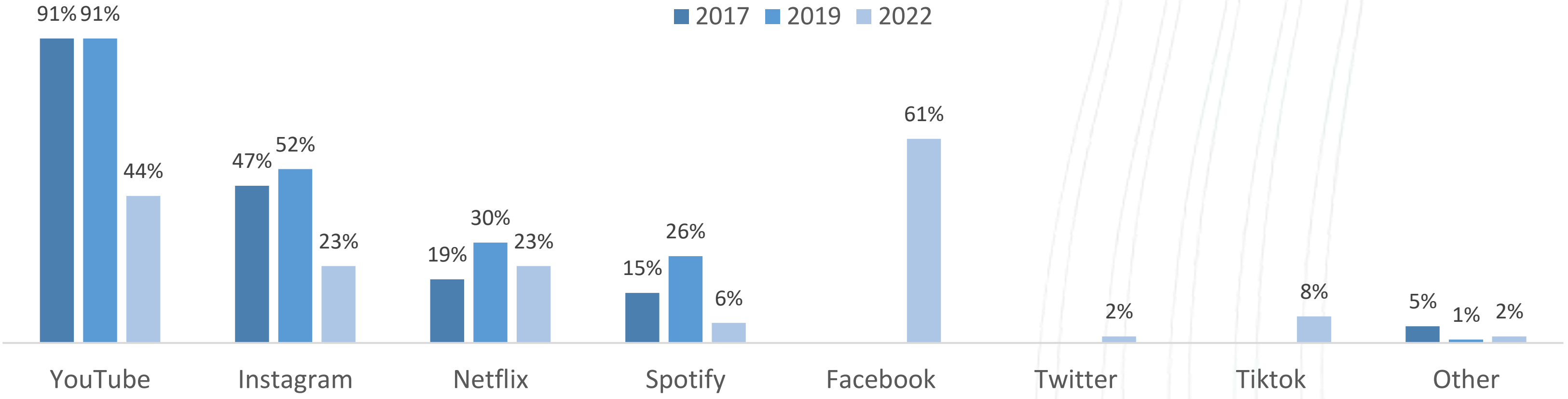


- Other platforms or apps mentioned were Discord, iMessages, Snapchat and Linkedin.

Content OTT

Two most common platforms or apps used to access content OTTs over fixed internet

Number of respondents with making use of content OTTs over a fixed internet connection – 530
(Respondents could give multiple answers) i.e. 80% of the number of respondents making use of OTTs

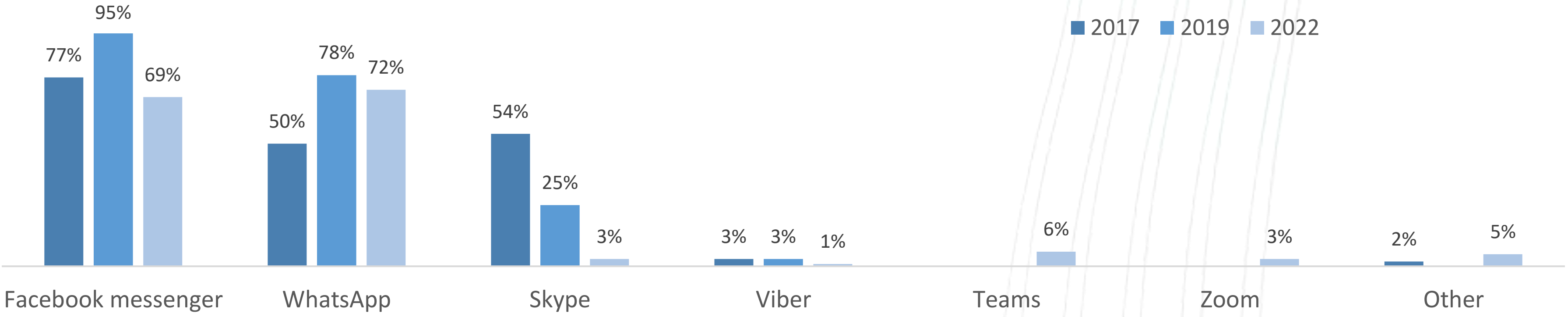


- Other platforms or apps mentioned were Pinterest, Reddit, Disney Plus, Linkedin and Telegram.
- In 2019, Facebook was not included in the list of options.

Voice OTT

Two most common platforms or apps used to access voice OTTs over fixed internet

Number of respondents with making use of voice OTTs over a fixed internet connection – 411
(Respondents could give multiple answers) i.e. 62% of the number of respondents making use of OTTs

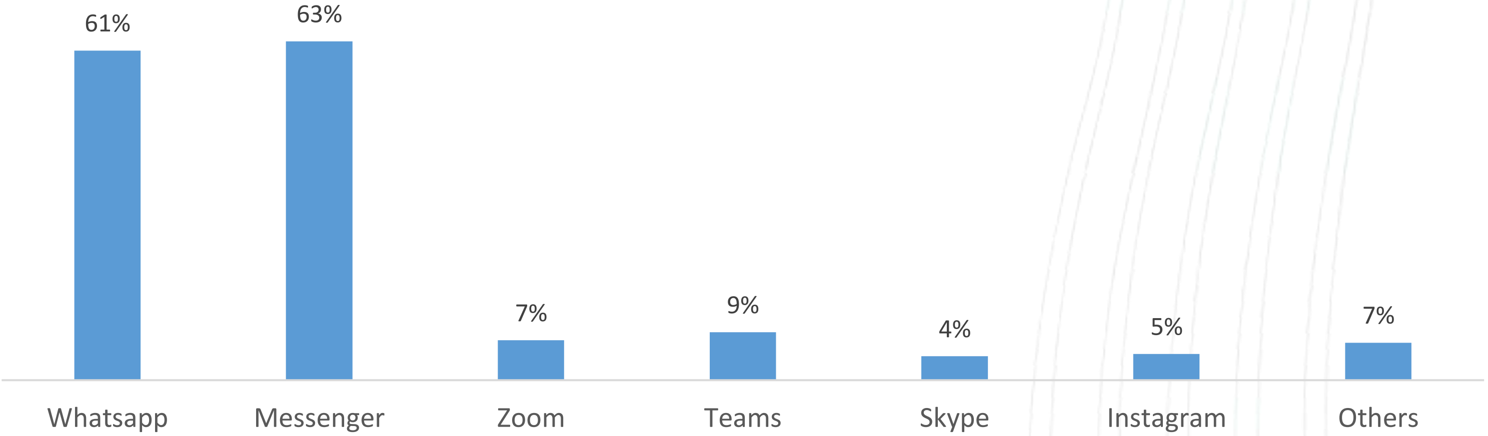


- The difference in percentages in this slide and the following might be because in current study, respondents were restricted to select not more than 2 options, whilst in previous study respondents could select more than 2 options.
- Other platforms or apps mentioned were Discord, Facetime, Google Meet, iMessages and Instagram.

Video OTT

Two most common platforms or apps used to access video OTTs over fixed internet

Number of respondents with making use of video OTTs over a fixed internet connection – 471
(Respondents could give multiple answers) i.e. 71% of the number of respondents making use of OTTs

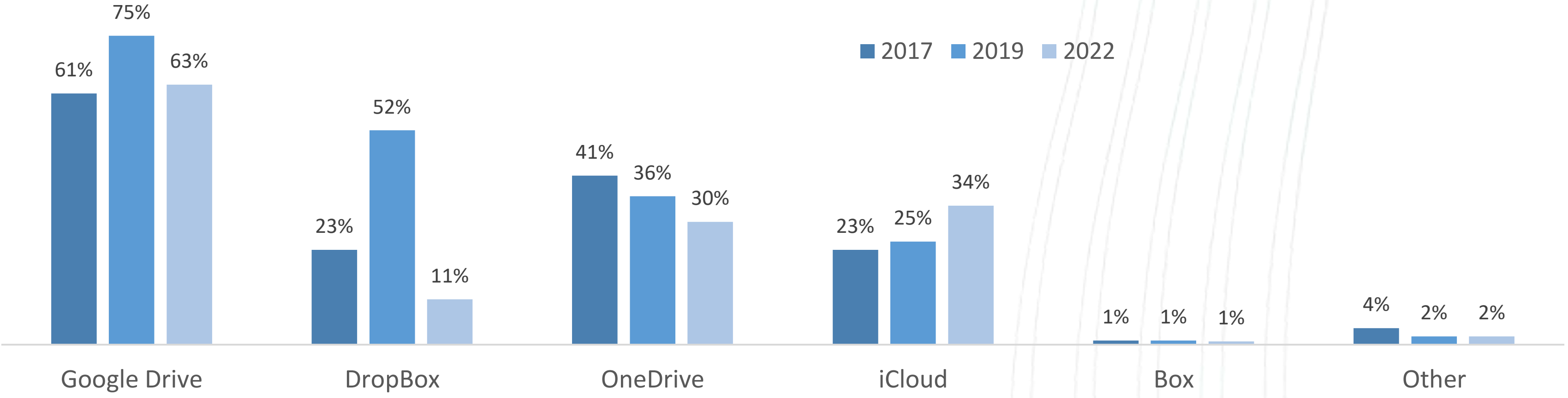


- Other platforms / apps mentioned were Facetime, Discord, Duo, Google Meet, iMessage, Snapchat, Telegram, Webex.

Cloud storage OTT

Two most common platforms or apps used to access cloud storage OTTs over fixed internet

Number of respondents with making use of cloud storage OTTs over a fixed internet connection – 255
(Respondents could give multiple answers) i.e. 38% of the number of respondents making use of OTTs



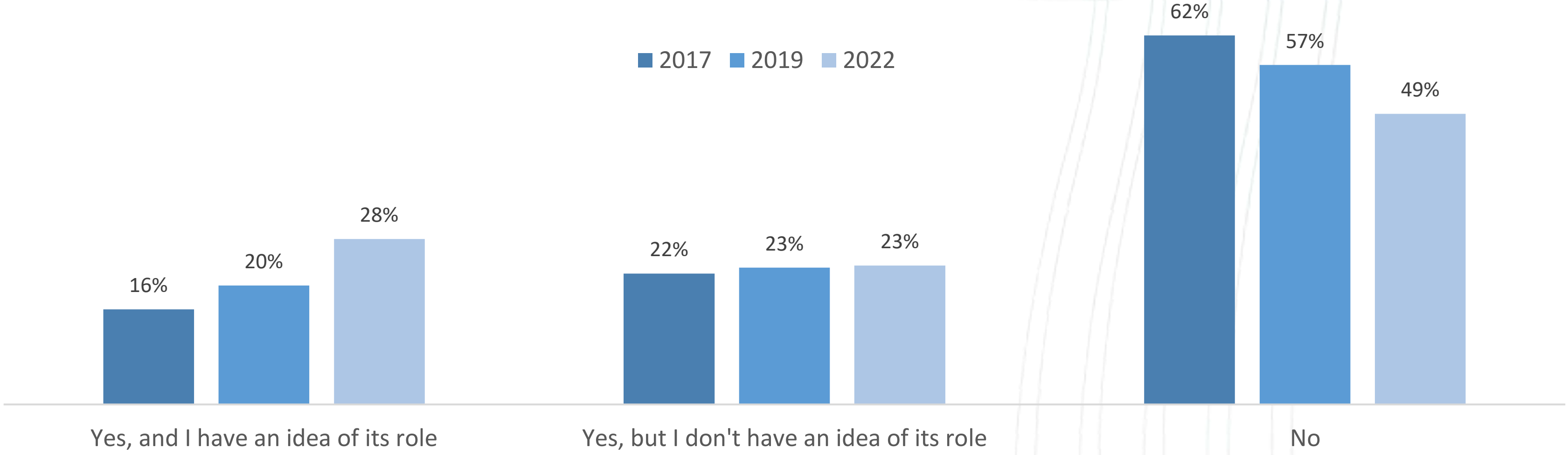
- Other platforms or apps mentioned were Samsung Cloud, Degoo Cloud, Google Photos, Google Box and Google One.

Visibility of MCA

MCA visibility (1 of 2)

Knowledge about the MCA

Total number of respondents - 804

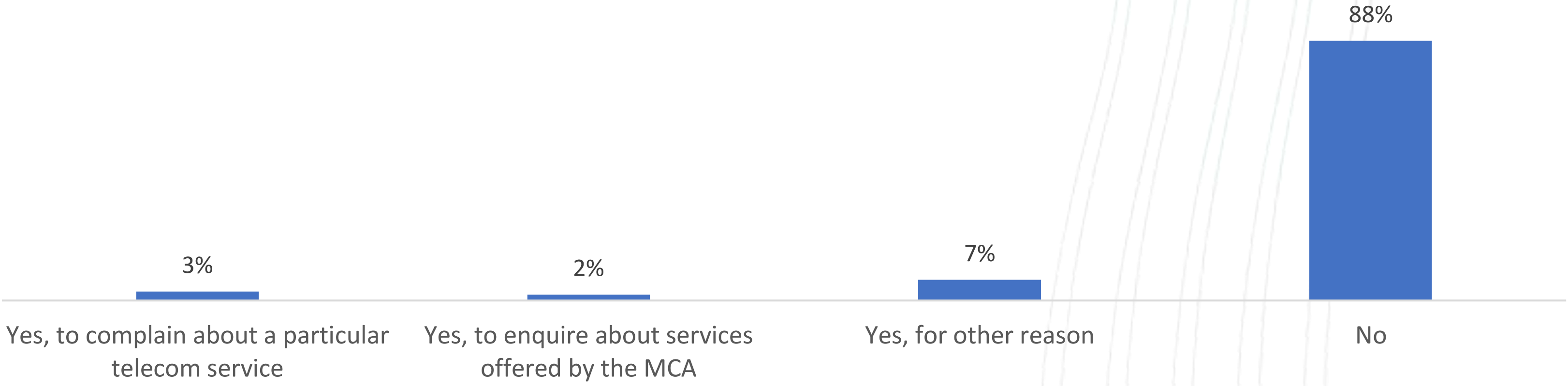


- 28% of respondents have heard about the Malta Communications Authority and have an idea of its role (compared 20% in 2019).

MCA visibility (2 of 2)

Reasons for contacting MCA, if ever

Number of respondents who are aware of the MCA and its role – 225
i.e. 28% of the number of respondents (Respondents could give multiple answers)



- 88% of respondents have never contacted the MCA.
- Of those who indicated 'Others', the majority stated 'work related purposes'.

THANK YOU

MALTA COMMUNICATIONS AUTHORITY